

EDWARDS COUNTY, KANSAS

**FINANCIAL STATEMENTS
with
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED DECEMBER 31, 2011**

EDWARDS COUNTY, KANSAS

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report.....	1
Summary of Cash Receipts, Expenditures, and Unencumbered Cash.....	3
Summary of Expenditures – Actual and Budget.....	4
Statement of Cash Receipts and Expenditures – Actual and Budget	
General Fund.....	5
Road and Bridge Fund.....	8
Noxious Weed Fund	9
Employee Benefits Fund.....	10
Health Fund	11
Hospital Maintenance Fund.....	12
Special Drug and Alcohol Fund	13
Special Parks and Recreation Fund	14
Noxious Weed Capital Outlay Fund.....	15
Emergency Telephone Service Fund	16
911 Wireless Phone Tax.....	17
Statement of Cash Receipts and Expenditures – All Non-Budgeted Special Revenue Funds.....	18
Statement of Cash Receipts and Expenditures – Risk Management Reserve Fund	20
Summary of Cash Receipts and Cash Disbursements – Agency Funds.....	21
Notes to Financial Statements	22

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
County of Edwards, Kansas

We have audited the accompanying financial statements of Edwards County, Kansas, as of and for the year ended December 31, 2011, which collectively comprise the basic financial statements of the County's primary government, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements do not include financial data for the County's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The effect on the financial statements of the omission of the component units, although not reasonably determinable, is presumed to be material.

As described more fully in Note A, Edwards County, Kansas, has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, is presumed to be material.

In our opinion, because of the omission of the discretely presented component units, as discussed above, and because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County as of December 31, 2011, or the changes in financial position thereof for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the primary government of Edwards County, Kansas, as of December 31, 2011, its cash receipts and expenditures, and budgetary results for the year then ended on the basis of accounting described in Note A.

Kennedy McKee & Company LLP

July 26, 2012

EDWARDS COUNTY, KANSAS

SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH

Year ended December 31, 2011

<u>Fund</u>	<u>Beginning unencumbered cash balance</u>	<u>Prior year canceled encumbrances</u>	<u>Cash receipts</u>
Governmental funds:			
General	\$ 133,173	\$ -	\$ 1,789,325
Special revenue funds:			
Road and bridge	3,317	-	1,064,061
Noxious weed	15,095	-	71,229
Employee benefits	133,711	-	749,483
Health	29,917	-	196,638
Hospital maintenance	-	-	233,119
Special drug and alcohol	6,854	-	5,085
Special parks and recreation	6,146	-	972
Noxious weed capital outlay	19,139	-	15,000
Emergency telephone service	63,752	-	10,704
911 wireless phone tax	9,795	-	5,556
Non-budgeted special revenue funds:			
Economic development	(9,562)	-	40,000
Special law enforcement	8,514	-	-
Micro-loan	18,927	-	10,087
Special highway improvement	81,504	-	168,983
Special machinery	93,805	-	171,150
Multi-year capital improvement	585,187	-	76,331
Equipment reserve	485,281	-	86,788
Retainage contracts	692	-	1,222
Deeds technology	19,556	-	7,151
Concealed carry handgun	2,120	-	423
Bioterrorism grant	9,561	-	10,764
Emergency preparedness	23,248	-	8,974
Wireless enhanced 911 grant	-	-	146,951
Offender registration	1,420	-	760
Prosecutor's training and assistance	625	-	571
Special motor vehicle	13,895	-	35,182
Proprietary funds:			
Internal service fund:			
Risk management reserve	8,062	-	4
Total - excluding agency funds	<u>\$ 1,763,734</u>	<u>\$ -</u>	<u>\$ 4,906,513</u>
Composition of cash balance:			
Cash on hand			
Operating checking accounts			
Interest bearing checking accounts			
Certificates of deposit			
Total cash			
Agency funds			
Total - excluding agency funds			

The accompanying notes are an integral part of the financial statements.

<u>Expenditures</u>	<u>Residual equity transfers</u>	<u>Ending unencumbered cash balance (deficit)</u>	<u>Add outstanding encumbrances and accounts payable</u>	<u>Ending cash balance (deficit)</u>
\$ 1,798,213	\$ -	\$ 124,285	\$ 33,115	\$ 157,400
1,048,313	-	19,065	14,973	34,038
67,241	-	19,083	-	19,083
800,916	3,852	86,130	-	86,130
200,762	-	25,793	5,624	31,417
230,232	-	2,887	-	2,887
4,250	-	7,689	-	7,689
400	-	6,718	-	6,718
2,430	-	31,709	-	31,709
39,943	-	34,513	-	34,513
4,574	-	10,777	-	10,777
32,043	-	(1,605)	1,605	-
3,028	-	5,486	-	5,486
319	-	28,695	-	28,695
200,308	-	50,179	-	50,179
104,286	-	160,669	-	160,669
162,608	-	498,910	-	498,910
65,031	-	507,038	-	507,038
1,380	-	534	-	534
540	-	26,167	-	26,167
-	-	2,543	-	2,543
11,907	-	8,418	-	8,418
8,550	-	23,672	-	23,672
146,951	-	-	-	-
-	-	2,180	-	2,180
274	-	922	-	922
36,047	-	13,030	-	13,030
4,214	(3,852)	-	-	-
<u>\$ 4,974,760</u>	<u>\$ -</u>	<u>\$ 1,695,487</u>	<u>\$ 55,317</u>	<u>\$ 1,750,804</u>
				\$ 48,775
				1,086,392
				4,011,938
				<u>943,000</u>
				6,090,105
				<u>(4,339,301)</u>
				<u>\$ 1,750,804</u>

EDWARDS COUNTY, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

Year ended December 31, 2011

<u>Fund</u>	<u>Certified budget</u>	<u>Adjustment for qualifying budget credits</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General fund	\$ 1,908,179	\$ -	\$ 1,908,179	\$ 1,798,213	\$ 109,966
Special revenue funds:					
Road and bridge	1,092,200	-	1,092,200	1,048,313	43,887
Noxious weed	82,315	-	82,315	67,241	15,074
Employee benefits	838,000	-	838,000	800,916	37,084
Health	207,425	-	207,425	200,762	6,663
Hospital maintenance	230,232	-	230,232	230,232	-
Special drug and alcohol	12,000	-	12,000	4,250	7,750
Special parks and recreation	7,000	-	7,000	400	6,600
Noxious weed capital outlay	22,196	-	22,196	2,430	19,766
Emergency telephone service	64,000	-	64,000	39,943	24,057
911 wireless phone tax	14,500	-	14,500	4,574	9,926
	<u>14,500</u>	<u>-</u>	<u>14,500</u>	<u>4,574</u>	<u>9,926</u>
Total primary government	<u>\$ 4,478,047</u>	<u>\$ -</u>	<u>\$ 4,478,047</u>	<u>\$ 4,197,274</u>	<u>\$ 280,773</u>

The accompanying notes are an integral
part of the financial statements.

EDWARDS COUNTY, KANSAS

GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			
		2011		
	2010	Actual	Budget	Variance favorable (unfavorable)
Cash receipts:				
Taxes:				
Ad valorem tax	\$ 1,301,824	\$ 1,210,232	\$ 1,235,707	\$ (25,475)
Delinquent tax	19,405	23,245	10,000	13,245
Motor vehicle tax	88,514	98,611	95,139	3,472
Recreational vehicle tax	1,783	1,885	1,852	33
16/20M truck tax	12,205	11,802	14,624	(2,822)
In lieu of tax	822	841	-	841
Interest on delinquent tax	26,283	24,206	10,000	14,206
Motor vehicle excise tax	14	20	-	20
Shared revenue:				
Local sales tax	148,047	165,262	160,000	5,262
Mineral production tax	9,705	9,815	10,000	(185)
Local alcohol tax	1,034	972	1,000	(28)
Licenses, permits and fees:				
Mortgage registration fees	14,972	31,054	15,000	16,054
County officer fees	19,151	42,371	15,000	27,371
Other fees	11,914	11,848	8,000	3,848
Charges for services:				
Prisoner care	-	280	500	(220)
Dispatcher contract	1,300	300	1,200	(900)
Diversion fees	9,396	9,376	8,000	1,376
Law Enforcement contract	118,166	121,046	147,500	(26,454)
Interest	16,069	6,402	15,000	(8,598)
Miscellaneous	2,895	5,862	5,000	862
Transfer from special motor vehicle	13,935	13,895	25,000	(11,105)
Total cash receipts	<u>1,817,434</u>	<u>1,789,325</u>	<u>\$ 1,778,522</u>	<u>\$ 10,803</u>
Expenditures:				
General government:				
County commissioners	46,025	45,974	\$ 49,000	\$ 3,026
County clerk	87,050	85,252	97,000	11,748
County treasurer	103,786	101,291	110,800	9,509
County attorney	63,452	64,686	65,900	1,214
Register of deeds	63,843	64,344	71,400	7,056
District court	31,646	35,669	52,561	16,892
Courthouse general	187,384	188,961	272,000	83,039
Appraisal	95,244	98,830	100,700	1,870
Extension council	9,660	9,868	11,000	1,132

EDWARDS COUNTY, KANSAS

GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET (CONTINUED)

	Year ended December 31,			
		2011		
	2010	Actual	Budget	Variance favorable (unfavorable)
General government (continued):				
Zoning	\$ 2,500	\$ 2,550	\$ 5,000	\$ 2,450
Election	24,692	20,226	27,500	7,274
Insurance cost	73,088	75,799	82,000	6,201
Soil conservation	25,000	22,955	22,955	-
	<u>813,370</u>	<u>816,405</u>	<u>967,816</u>	<u>151,411</u>
Public safety:				
Sheriff	463,904	483,992	456,690	(27,302)
Emergency preparedness	8,927	8,538	9,000	462
	<u>472,831</u>	<u>492,530</u>	<u>465,690</u>	<u>(26,840)</u>
Health and welfare:				
Ambulance	23,853	23,853	29,853	6,000
Mental health	26,400	26,400	26,400	-
Mental retardation	35,000	31,500	31,500	-
	<u>85,253</u>	<u>81,753</u>	<u>87,753</u>	<u>6,000</u>
Public works:				
Prairie dog	-	3,034	-	(3,034)
Culture and recreation:				
County fair	13,201	14,186	17,000	2,814
Carnival Heritage	5,000	-	-	-
	<u>18,201</u>	<u>14,186</u>	<u>17,000</u>	<u>2,814</u>
Sanitation:				
Solid waste disposal	126,207	127,135	136,550	9,415
Transfers out:				
Equipment reserve	10,000	48,550	-	(48,550)
Multi-year capital improvement	16,000	43,750	62,500	18,750
Economic development	40,000	40,000	40,000	-
	<u>66,000</u>	<u>132,300</u>	<u>102,500</u>	<u>(29,800)</u>

EDWARDS COUNTY, KANSAS**GENERAL FUND****STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET (CONTINUED)**

	Year ended December 31,			
	2011			Variance
	2010	Actual	Budget	favorable (unfavorable)
Transfers to component units:				
County fair	\$ 10,870	\$ 10,870	\$ 10,870	\$ -
Extension council	113,500	112,000	112,000	-
Historical society	8,000	8,000	8,000	-
	132,370	130,870	130,870	-
Total expenditures	1,714,232	1,798,213	\$ 1,908,179	\$ 109,966
Receipts over (under) expenditures	103,202	(8,888)		
Unencumbered cash, beginning of year	29,971	133,173	\$ 129,657	\$ 3,516
Unencumbered cash, end of year	\$ 133,173	\$ 124,285		

The accompanying notes are an integral
part of the financial statements.

EDWARDS COUNTY, KANSAS

ROAD AND BRIDGE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			
		2011		
	2010	Actual	Budget	Variance favorable (unfavorable)
Cash receipts:				
Taxes:				
Ad valorem tax	\$ 700,299	\$ 747,009	\$ 762,719	\$ (15,710)
Delinquent tax	11,164	12,660	5,000	7,660
Motor vehicle tax	55,235	53,315	51,178	2,137
Recreational vehicle tax	1,121	1,030	996	34
16/20M truck tax	6,906	7,383	7,867	(484)
In lieu of tax	442	519	-	519
Shared revenue:				
Gasoline tax	243,341	233,926	264,440	(30,514)
State assistance	-	166	-	166
Licenses, permits and fees	150	250	-	250
Charges for services	7,422	7,803	-	7,803
Total cash receipts	<u>1,026,080</u>	<u>1,064,061</u>	<u>\$ 1,092,200</u>	<u>\$ (28,305)</u>
Expenditures:				
Highways, streets and bridges:				
Personal services	371,265	363,325	\$ 389,500	\$ 26,175
Commodities	468,247	473,268	516,700	43,432
Contractual services	112,580	111,770	171,000	59,230
Capital outlay	671	2,950	15,000	12,050
Transfer to special highway	10,000	22,000	-	(22,000)
Transfer to special machinery	60,000	75,000	-	(75,000)
Total expenditures	<u>1,022,763</u>	<u>1,048,313</u>	<u>\$ 1,092,200</u>	<u>\$ 43,887</u>
Receipts over (under) expenditures	3,317	15,748		
Unencumbered cash, beginning of year	<u>-</u>	<u>3,317</u>	<u>\$ -</u>	<u>\$ 3,317</u>
Unencumbered cash, end of year	<u>\$ 3,317</u>	<u>\$ 19,065</u>		

The accompanying notes are an integral
part of the financial statements.

EDWARDS COUNTY, KANSAS

NOXIOUS WEED FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
Cash receipts:				
Taxes:				
Ad valorem tax	\$ 68,994	\$ 64,084	\$ 65,442	\$ (1,358)
Delinquent tax	966	1,091	500	591
Motor vehicle tax	4,991	5,237	5,043	194
Recreational vehicle tax	101	101	98	3
16/20M truck tax	475	671	775	(104)
In lieu of tax	44	45	-	45
Total cash receipts	<u>75,571</u>	<u>71,229</u>	<u>\$ 71,858</u>	<u>\$ (629)</u>
Expenditures:				
Highways, streets and bridges:				
Personal services	24,813	31,300	\$ 33,800	\$ 2,500
Commodities	76,436	66,806	83,360	16,554
Contractual services	7,069	6,509	5,855	(654)
Capital outlay	-	1,328	3,800	2,472
Reimbursed expenditures	(43,726)	(53,702)	(44,500)	9,202
Transfer to noxious weed capital outlay	<u>3,000</u>	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>
Total expenditures	<u>67,592</u>	<u>67,241</u>	<u>\$ 82,315</u>	<u>\$ 15,074</u>
Receipts over (under) expenditures	7,979	3,988		
Unencumbered cash, beginning of year	<u>7,116</u>	<u>15,095</u>	<u>\$ 10,457</u>	<u>\$ 4,638</u>
Unencumbered cash, end of year	<u>\$ 15,095</u>	<u>\$ 19,083</u>		

The accompanying notes are an integral part of the financial statements.

EDWARDS COUNTY, KANSAS

EMPLOYEE BENEFITS FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
Cash receipts:				
Taxes:				
Ad valorem tax	\$ 680,783	\$ 678,489	\$ 692,769	\$ (14,280)
Delinquent tax	10,067	11,373	4,000	7,373
Motor vehicle tax	48,618	51,655	49,752	1,903
Recreational vehicle tax	988	998	968	30
16/20M truck tax	6,239	6,495	7,647	(1,152)
In lieu of tax	430	473	-	473
Total cash receipts	<u>747,125</u>	<u>749,483</u>	<u>\$ 755,136</u>	<u>\$ (5,653)</u>
Expenditures:				
General government:				
Social security	103,806	104,524	\$ 110,000	\$ 5,476
KPERs	90,652	100,286	95,000	(5,286)
Vision and life insurance	9,355	9,952	11,000	1,048
Short term disability	7,268	7,634	11,000	3,366
Health insurance premiums	472,103	546,397	525,000	(21,397)
Kansas unemployment tax	1,132	1,425	1,000	(425)
Worker's compensation insurance	33,622	30,728	50,000	19,272
Dental insurance	27,454	-	35,000	35,000
Reimbursements	775	(30)	-	30
Total expenditures	<u>746,167</u>	<u>800,916</u>	<u>\$ 838,000</u>	<u>\$ 37,084</u>
Receipts over (under) expenditures	958	(51,433)		
Unencumbered cash, beginning of year	132,753	133,711	<u>\$ 82,864</u>	<u>\$ 50,847</u>
Residual equity transfer	-	3,852		
Unencumbered cash, end of year	<u>\$ 133,711</u>	<u>\$ 86,130</u>		

The accompanying notes are an integral part of the financial statements.

EDWARDS COUNTY, KANSAS

HEALTH FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			
	2011			Variance
	2010	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Taxes:				
Ad valorem tax	\$ 128,047	\$ 126,551	\$ 129,231	\$ (2,680)
Delinquent tax	1,896	2,158	500	1,658
Motor vehicle tax	8,343	9,689	9,359	330
Recreational vehicle tax	169	187	182	5
16/20M truck tax	1,222	1,111	1,439	(328)
In lieu of tax	81	88	-	88
Shared revenue:				
Federal and state aid	43,115	28,103	30,000	(1,897)
Charges for services	25,196	27,064	25,000	2,064
Other	1,080	1,687	-	1,687
Total cash receipts	209,149	196,638	\$ 195,711	\$ 927
Expenditures:				
Health and welfare:				
Personal services	138,887	138,945	\$ 140,425	\$ 1,480
Commodities	30,469	25,232	25,000	(232)
Contractual services	24,832	20,326	27,000	6,674
Capital outlay	3,254	1,259	15,000	13,741
Transfer to capital improvement	10,000	15,000	-	(15,000)
Total expenditures	207,442	200,762	\$ 207,425	\$ 6,663
Receipts over (under) expenditures	1,707	(4,124)		
Unencumbered cash, beginning of year	28,210	29,917	\$ 11,714	\$ 18,203
Unencumbered cash, end of year	\$ 29,917	\$ 25,793		

The accompanying notes are an integral part of the financial statements.

EDWARDS COUNTY, KANSAS

HOSPITAL MAINTENANCE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
Cash receipts:				
Taxes:				
Ad valorem tax	\$ 212,506	\$ 210,777	\$ 211,011	\$ (234)
Delinquent tax	3,338	3,740	1,000	2,740
Motor vehicle tax	15,175	16,122	15,532	590
Recreational vehicle tax	308	312	302	10
16/20M truck tax	2,161	2,022	2,387	(365)
In lieu of tax	134	146	-	146
Total cash receipts	233,622	233,119	<u>\$ 230,232</u>	<u>\$ 2,887</u>
Expenditures:				
Transfers to component unit	236,880	230,232	<u>\$ 230,232</u>	<u>\$ -</u>
Receipts over (under) expenditures	(3,258)	2,887		
Unencumbered cash, beginning of year	3,258	-	<u>\$ -</u>	<u>\$ -</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ 2,887</u>		

The accompanying notes are an integral
part of the financial statements.

EDWARDS COUNTY, KANSAS

SPECIAL DRUG AND ALCOHOL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			
		2011		Variance
	2010	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Local alcohol and liquor tax	\$ 4,680	\$ 5,085	<u>\$ 5,000</u>	<u>\$ 85</u>
Expenditures:				
Health and welfare:				
Contractual services	<u>4,800</u>	<u>4,250</u>	<u>\$ 12,000</u>	<u>\$ 7,750</u>
Receipts over (under) expenditures	(120)	835		
Unencumbered cash, beginning of year	<u>6,974</u>	<u>6,854</u>	<u>\$ 7,000</u>	<u>\$ (146)</u>
Unencumbered cash, end of year	<u>\$ 6,854</u>	<u>\$ 7,689</u>		

The accompanying notes are an integral
part of the financial statements.

EDWARDS COUNTY, KANSAS

SPECIAL PARKS AND RECREATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			
		2011		Variance favorable (unfavorable)
	2010	Actual	Budget	
Cash receipts:				
Local alcohol and liquor tax	\$ 1,034	\$ 972	<u>\$ 1,000</u>	<u>\$ (28)</u>
Expenditures:				
Culture and recreation:				
Contractual services	<u>-</u>	<u>400</u>	<u>\$ 7,000</u>	<u>\$ 6,600</u>
Receipts over (under) expenditures	1,034	572		
Unencumbered cash, beginning of year	<u>5,112</u>	<u>6,146</u>	<u>\$ 6,000</u>	<u>\$ 146</u>
Unencumbered cash, end of year	<u>\$ 6,146</u>	<u>\$ 6,718</u>		

The accompanying notes are an integral
part of the financial statements.

EDWARDS COUNTY, KANSAS

NOXIOUS WEED CAPITAL OUTLAY FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			
		2011		Variance
	2010	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Transfer from noxious weed	\$ 3,000	\$ 15,000	\$ -	\$ 15,000
Expenditures:				
Highways, streets and bridges:				
Capital outlay	15,155	2,430	\$ 22,196	\$ 19,766
Receipts over (under) expenditures	(12,155)	12,570		
Unencumbered cash, beginning of year	31,294	19,139	\$ 22,196	\$ (3,057)
Unencumbered cash, end of year	\$ 19,139	\$ 31,709		

The accompanying notes are an integral
part of the financial statements.

EDWARDS COUNTY, KANSAS

EMERGENCY TELEPHONE SERVICE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			Variance favorable (unfavorable)
	2010	Actual	Budget	
Cash receipts:				
Licenses, permits and fees	\$ 11,647	\$ 10,650	\$ 11,000	\$ (350)
Interest	149	54	200	(146)
Total cash receipts	<u>11,796</u>	<u>10,704</u>	<u>\$ 11,200</u>	<u>\$ (496)</u>
Expenditures:				
Public safety:				
Commodities	67	-	\$ 2,000	\$ 2,000
Contractual services	7,612	29,581	15,000	(14,581)
Capital outlay	<u>7,513</u>	<u>10,362</u>	<u>47,000</u>	<u>36,638</u>
Total expenditures	<u>15,192</u>	<u>39,943</u>	<u>\$ 64,000</u>	<u>\$ 24,057</u>
Receipts over (under) expenditures	(3,396)	(29,239)		
Unencumbered cash, beginning of year	<u>67,148</u>	<u>63,752</u>	<u>\$ 52,800</u>	<u>\$ 10,952</u>
Unencumbered cash, end of year	<u>\$ 63,752</u>	<u>\$ 34,513</u>		

The accompanying notes are an integral
part of the financial statements.

EDWARDS COUNTY, KANSAS

911 WIRELESS PHONE TAX FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

	Year ended December 31,			
	2011			Variance
	2010	Actual	Budget	favorable (unfavorable)
Cash receipts:				
Licenses, permits and fees	\$ 5,803	\$ 5,545	\$ 6,000	\$ (455)
Interest	29	11	100	(89)
Total cash receipts	5,832	5,556	\$ 6,100	\$ (544)
Expenditures:				
Public safety:				
Contractual services	11,336	4,574	\$ 5,500	\$ 926
Capital outlay	-	-	9,000	9,000
Total expenditures	11,336	4,574	\$ 14,500	\$ 9,926
Receipts over (under) expenditures	(5,504)	982		
Unencumbered cash, beginning of year	15,299	9,795	\$ 8,400	\$ 1,395
Unencumbered cash, end of year	\$ 9,795	\$ 10,777		

The accompanying notes are an integral
part of the financial statements.

EDWARDS COUNTY, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES ALL NON-BUDGETED SPECIAL REVENUE FUNDS

Year ended December 31, 2011

	<u>Economic development</u>	<u>Special law enforcement</u>	<u>Micro-loan</u>	<u>Special highway improvement</u>	<u>Special machinery</u>
Cash receipts:					
Grants	\$ -	\$ -	\$ -	\$ 146,983	\$ -
Licenses, permits and fees	-	-	-	-	-
Interest	-	-	2,175	-	-
Other	-	-	7,912	-	96,150
Operating transfers in	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>22,000</u>	<u>75,000</u>
Total cash receipts	<u>40,000</u>	<u>-</u>	<u>10,087</u>	<u>168,983</u>	<u>171,150</u>
Expenditures:					
Personal services	32,043	-	-	-	-
Commodities	-	-	-	199,308	-
Contractual services	-	3,028	319	-	-
Capital outlay	-	-	-	1,000	104,286
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>32,043</u>	<u>3,028</u>	<u>319</u>	<u>200,308</u>	<u>104,286</u>
Receipts over (under) expenditures	7,957	(3,028)	9,768	(31,325)	66,864
Unencumbered cash (deficit), beginning of year	<u>(9,562)</u>	<u>8,514</u>	<u>18,927</u>	<u>81,504</u>	<u>93,805</u>
Unencumbered cash (deficit), end of year	<u>\$ (1,605)</u>	<u>\$ 5,486</u>	<u>\$ 28,695</u>	<u>\$ 50,179</u>	<u>\$ 160,669</u>

<u>Multi-year capital improvement</u>	<u>Equipment reserve</u>	<u>Retainage contracts</u>	<u>Deeds technology</u>	<u>Concealed carry handgun</u>	<u>Bioterrorism grant</u>	<u>Emergency prepared- ness</u>
\$ -	\$ 33,156	\$ -	\$ -	\$ -	\$ 10,764	\$ 8,974
-	-	-	7,130	423	-	-
-	-	1	21	-	-	-
17,581	5,082	1,221	-	-	-	-
58,750	48,550	-	-	-	-	-
<u>76,331</u>	<u>86,788</u>	<u>1,222</u>	<u>7,151</u>	<u>423</u>	<u>10,764</u>	<u>8,974</u>
-	-	-	-	-	6,779	-
-	-	-	-	-	1,728	719
-	-	1,380	540	-	2,875	1,922
162,608	65,031	-	-	-	525	5,909
-	-	-	-	-	-	-
<u>162,608</u>	<u>65,031</u>	<u>1,380</u>	<u>540</u>	<u>-</u>	<u>11,907</u>	<u>8,550</u>
(86,277)	21,757	(158)	6,611	423	(1,143)	424
<u>585,187</u>	<u>485,281</u>	<u>692</u>	<u>19,556</u>	<u>2,120</u>	<u>9,561</u>	<u>23,248</u>
<u>\$ 498,910</u>	<u>\$ 507,038</u>	<u>\$ 534</u>	<u>\$ 26,167</u>	<u>\$ 2,543</u>	<u>\$ 8,418</u>	<u>\$ 23,672</u>

EDWARDS COUNTY, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES ALL NON-BUDGETED SPECIAL REVENUE FUNDS (CONTINUED)

Year ended December 31, 2011

	Wireless enhanced 911 grant	Offender registration	Prosecutor's training and assistance	Special motor vehicle	Total
Cash receipts:					
Grants	\$ 146,951	\$ -	\$ -	\$ -	\$ 346,828
Licenses, permits and fees	-	760	571	35,182	44,066
Interest	-	-	-	-	2,197
Other	-	-	-	-	127,946
Operating transfers in	-	-	-	-	244,300
Total cash receipts	<u>146,951</u>	<u>760</u>	<u>571</u>	<u>35,182</u>	<u>765,337</u>
Expenditures:					
Personal services	-	-	-	8,848	47,670
Commodities	-	-	-	4,619	206,374
Contractual services	-	-	274	7,932	18,270
Capital outlay	146,951	-	-	753	487,063
Operating transfers out	-	-	-	13,895	13,895
Total expenditures	<u>146,951</u>	<u>-</u>	<u>274</u>	<u>36,047</u>	<u>773,272</u>
Receipts over (under) expenditures	-	760	297	(865)	(7,935)
Unencumbered cash (deficit), beginning of year	-	1,420	625	13,895	1,334,773
Unencumbered cash (deficit), end of year	<u>\$ -</u>	<u>\$ 2,180</u>	<u>\$ 922</u>	<u>\$ 13,030</u>	<u>\$ 1,326,838</u>

The accompanying notes are an integral
part of the financial statements.

EDWARDS COUNTY, KANSAS

RISK MANAGEMENT RESERVE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

	Year ended December 31,	
	2010	2011
Cash receipts:		
Interest income	\$ 21	\$ 4
Expenditures:		
Contractual services	165	4,214
Receipts over (under) expenditures	(144)	(4,210)
Unencumbered cash, beginning of year	8,206	8,062
Residual equity transfer	-	(3,852)
Unencumbered cash, end of year	<u>\$ 8,062</u>	<u>\$ -</u>

The accompanying notes are an integral
part of the financial statements.

EDWARDS COUNTY, KANSAS

AGENCY FUNDS

SUMMARY OF CASH RECEIPTS AND CASH DISBURSEMENTS

Year ended December 31, 2011

Fund	Beginning cash balance	Cash receipts	Cash disbursements	Ending cash balance
County clerk	\$ 463	\$ 968	\$ 969	\$ 462
Register of deeds	3,549	77,123	72,968	7,704
District court	5,700	237,321	240,710	2,311
Law Library	8,718	3,342	2,454	9,606
Sheriff	332	26,592	25,799	1,125
Tax collection accounts	4,036,050	7,638,468	7,367,008	4,307,510
Local taxing districts	1,227	3,672,718	3,672,472	1,473
Motor vehicle fees and sales tax collections	10,147	505,757	507,053	8,851
Stray animal	132	-	132	-
Heritage trust	86	1,259	1,086	259
Payroll clearing funds	-	1,191,799	1,191,799	-
Total	<u>\$ 4,066,404</u>	<u>\$ 13,355,347</u>	<u>\$ 13,082,450</u>	<u>\$ 4,339,301</u>

The accompanying notes are an integral
part of the financial statements.

EDWARDS COUNTY, KANSAS
NOTES TO FINANCIAL STATEMENTS

December 31, 2011

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statements is presented to assist in understanding the County's financial statements, which are presented in conformity with the cash basis and budget laws of the State of Kansas. The financial statements and notes are the representation of the County's management, which is responsible for their integrity and objectivity. The amounts shown for 2010 in the accompanying financial statements are included, where practicable, only to provide a basis for comparison with 2011, and are not intended to present all information necessary for a fair presentation in accordance with the basis of accounting as described below.

1. Financial reporting entity

Edwards County, Kansas, is a municipal corporation governed by an elected three-member commission. The scope of the entity for financial reporting purposes is defined as those funds for which the governing body of the County has financial accountability. Financial accountability includes budgetary authority and fiscal management responsibility. Budgetary authority is defined as authority for final approval of budgetary appropriations and revisions. Fiscal management responsibility is control of the collection and disbursement of funds. These financial statements include all funds included in the County's legally adopted budget and trust funds controlled or administered by County employees in their capacity as County employees. These financial statements present Edwards County, Kansas, (the primary government) and do not include the following component units.

Edwards County Hospital: The members of the governing board of the Hospital are appointed by the County Commissioners. Although the County Commissioners do not have the authority to modify or approve the Hospital's operating budget, the Hospital is fiscally dependent on the County because the County provides substantial support.

Edwards County Extension Council: The Extension Council has an elected board for its governing body. The County can impose its will on the Extension Council because it has the ability to modify or approve the operating budget of the Council. Because the Council receives substantial financial support from the County, it is fiscally dependent on the County, although it receives some other support.

Edwards County Historical Society: The Historical Society's governing body members are appointed by the County Commissioners. The Historical Society is fiscally dependent upon the County because the operating budget is approved by the County Commissioners and the County provides substantial financial support to the Historical Society's operations.

Edwards County Fair Board: The Fair Board is fiscally dependent upon the County because the County provides substantial financial support for its operations.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Financial reporting entity (continued)

Financial information of the individual component units may be obtained directly from their administrative offices as follows:

Edwards County Hospital
620 W. 8th Street
Kinsley, Kansas 67547

Edwards County Extension Council
212 E. 6th Street
Kinsley, Kansas 67547

Edwards County Historical Society
Highway 56
Kinsley, Kansas 67547

Edwards County Fair Board
Fairgrounds
Kinsley, Kansas 67547

2. Fund accounting

The accounts of the County are organized on the basis of funds. In governmental accounting, a fund is designated as a sum of money or other resources segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations and constituting an independent fiscal and accounting entity.

County resources are allocated to and for individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The following funds comprise the financial activities of the County for the year 2011:

GOVERNMENTAL FUNDS

These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

General Fund

This fund is established to account for resources devoted to financing the general services that the County performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the County are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

Special Revenue Funds

These funds are established to account for the proceeds of specific revenue sources other than trust funds or major capital projects that are restricted by law or administrative action to expenditure for specified purposes.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Fund accounting (continued)

PROPRIETARY FUNDS

Internal Service Fund

This fund is established to account for the financing of goods or services provided by one department to other departments of the County on a cost-reimbursement basis.

FIDUCIARY FUNDS

Agency Funds

Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and/or other funds.

3. Statutory basis of accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund and an expenditure would be charged in the fund from which the transfer is made.

The County has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the County to use the statutory basis of accounting.

4. Departure from accounting principles generally accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. A statement of net assets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the County are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences is not presented in the financial statements.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Budgetary information

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, fiduciary funds, permanent funds, and the following special revenue funds:

Economic Development	Special Motor Vehicle
Special Law Enforcement Trust	Deeds Technology
Micro Loan	Concealed Carry Handgun
Special Highway Improvement	Bioterrorism Grant
Special Machinery	Emergency Preparedness
Multi-Year Capital Improvement	Wireless Enhanced 911 Grant
Equipment Reserve	Offender Registration
Retainage Contracts	Prosecutor's Training and Assistance

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Cash and investments

To facilitate better management of the County's cash resources, excess cash is combined in pooled operating accounts. Each fund's portion of total cash is based on its equity in the pooled cash amount. Cash in excess of current operating needs is invested on a pooled investment basis and earnings thereon are distributed to the General Fund and other appropriate funds. Investments consist of time deposits and certificates of deposit and they are reported at fair value which is the same as cost.

7. Compensated absences

The County's policies regarding vacations permit non-elected employees to accumulate and carry over up to 120 hours of vacation. Upon termination or resignation from service with the County, employees are entitled to payment for all accrued vacation earned prior to termination or resignation, provided two weeks notice is given. The County's policies regarding sick leave permit non-elected employees on permanent status to accumulate 720 hours of sick leave. Upon termination or resignation from service with the County, employees are entitled to payment for fifty percent of accrued sick leave earned prior to termination or resignation, provided two weeks notice is given. Current year expenditures include the amounts accrued during the year that were liquidated with expendable available financial resources. The liabilities are based on current salary costs and the vested portion of accumulated benefits.

8. Section 125 plan

The County offers a section 125 flexible benefit plan to employees electing to participate. It is used for certain disability insurance premiums.

9. Pension plan

Substantially all full-time employees of the County are members of the State of Kansas Public Employees' Retirement System (KPERs) which is a cost-sharing multiple-employer state-wide pension plan. The County's policy is to fund all pension costs accrued; such costs to be funded are determined annually by the system's actuary.

10. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and medical needs of employees. The County participates in public entity risk pools to cover property, liability and worker's compensation claims. The County purchases commercial insurance to cover the medical needs of employees. There have been no significant reductions in coverage from the prior year. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three years.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. Other post employment benefits

As provided by K.S.A. 12-5040, the County allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the County is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, at year-end, there were no retirees participating in the County's group health insurance plan.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the County makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the County under this program.

B. DEPOSITS AND INVESTMENTS

Policies. The County has no formal deposit and investment policies; however it does follow state statutes. K.S.A. 9-1401 establishes the depositories which may be used by the County. The statute requires banks eligible to hold the County's funds to have a main or branch bank in the County, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverages. The County has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the County's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The County has no investment policy that would further limit its investment choices. State statutes place no limit on the amount the County may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2011.

At year-end the carrying amount of the County's deposits, including certificates of deposit, was \$6,041,326. The bank balance was \$6,087,848. Of the bank balance, \$1,737,763 was covered by federal depository insurance, and \$4,350,085 was collateralized with securities held by the pledging financial institution's agents in the County's name.

C. LONG-TERM DEBT

Changes in long-term liabilities for the County for the year ended December 31, 2011, were as follows:

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions/ net change</u>	<u>Reductions</u>	<u>Balance end of year</u>	<u>Interest paid</u>
Capital leases:					
2010 Cat 950H Wheel loader Issued September 12, 2011 In the amount of \$173,357 At zero percent interest Maturing May 23, 2013	\$ -	\$ 173,357	\$ 78,809	\$ 94,548	\$ -
Hamm HD13VV Compactor Issued November 9, 2010 In the amount of \$39,108 At zero percent interest Maturing November 30, 2012	26,072	-	13,036	13,036	-
Compensated absences: Vacation and sick leave	<u>50,914</u>	<u>5,661</u>	<u>-</u>	<u>56,575</u>	<u>-</u>
Total long-term debt	<u>\$ 76,986</u>	<u>\$ 179,018</u>	<u>\$ 91,845</u>	<u>\$ 164,159</u>	<u>\$ -</u>

Current maturity of the capital lease and interest for the next two years are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2011	\$ 60,310	\$ -	\$ 60,310
2012	<u>47,274</u>	<u>-</u>	<u>47,274</u>
Total	<u>\$ 107,584</u>	<u>\$ -</u>	<u>\$ 107,584</u>

D. COMPLIANCE WITH KANSAS STATUTES

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration to the Director of Accounts and Reports, Kansas Department of Administration and legal representatives of the County.

The cash basis law provided by K.S.A. 10-1113 prohibits the creation of indebtedness in any fund in excess of monies available in that fund. At year end, the Economic Development fund had an unencumbered cash deficit of \$1,605.

E. INTERFUND TRANSACTIONS

During the course of normal operations, the County has numerous transactions between funds including expenditures and transfers of resources to provide services, purchase and construct assets, and service debt. The governmental funds financial statements generally reflect such transactions as transfers. The internal service fund records charges for service to County departments as operating revenue. County funds record these payments to the internal service fund as operating expenses.

E. INTERFUND TRANSACTIONS (CONTINUED)

A summary of interfund transfers is as follows:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>	<u>Statutory authority</u>
General	Multi-year Capital Improvement	\$ 43,750	K.S.A. 19-120
General	Equipment Reserve	48,550	K.S.A. 19-119
General	Economic Development	40,000	K.S.A. 79-1946
County Health	Multi-year Capital Improvement	15,000	K.S.A. 19-120
Special Motor Vehicle	General	13,895	K.S.A. 8-145
Road and Bridge	Special Highway Improvement	22,000	K.S.A. 68-590
Road and Bridge	Special Machinery	75,000	K.S.A. 68-141g
Noxious Weed	Noxious Weed Capital Outlay	<u>15,000</u>	K.S.A. 2-1318
		<u>\$ 273,195</u>	

F. CDBG LOANS

In 2004, the County issued a \$15,000 revolving loan to a local business from funds paid in retirement of original Community Development Block Grant revolving loans. The loan at six percent is to be repaid over a period of three years. Loan payments are \$456 per month, including principal and interest. At December 31, 2011 the loan was in default and the loan balance was \$9,927.

In 2006, the County issued a \$15,000 revolving loan to a local business from funds paid in retirement of original Community Development Block Grant revolving loans. The loan at eight percent is to be repaid as follows: interest only payments for the first six months; loan payments of \$470 per month, including principal and interest for the next three years. At December 31, 2011 the loan was in default and the loan balance was \$14,628.

In 2010, the County issued a \$25,000 revolving loan to a local business from funds paid in retirement of original Community Development Block Grant revolving loans. The loan at six percent is to be repaid over a period of five years. Loan payments are \$483 per month, including principal and interest. At December 31, 2011 the loan balance was \$18,797.

In 2010, the County issued a \$16,250 revolving loan to a local business from funds paid in retirement of original Community Development Block Grant revolving loans. The loan at six percent is to be repaid over a period of five years. Loan payments are \$314 per month, including principal and interest. At December 31, 2011 the loan balance was \$11,179.

G. DEFINED BENEFIT PENSION PLAN

Plan description. Edwards County contributes to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603-3869) or by calling 1-888-275-5737.

G. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary for Tier 1, and 6% for Tier 2 employees (employees hired on or after July 1, 2009). The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates. The employer rate established by statute for 2011 was 7.74%. Edwards County's employer contributions to KPERS for the years ending December 31, 2011, 2010, and 2009 were \$103,547, \$92,476, and \$72,461, respectively, equal to the required contributions for each year.

H. PUBLIC ENTITY RISK POOLS

The County is a member of the Kansas Workers Risk Cooperative for Counties (KWORCC), a group funded pool for workers compensation coverage which was formed through the Kansas Municipal Group-Funded Pool Act, K.S.A. 12-2616, et seq. This is a public entity risk pool which operates as a common risk management and insurance program for member counties. The County pays an annual contribution to the Cooperative as determined by the seven-member Board of Trustees based upon experience modification factors, payroll audits and any other bases the Board considers appropriate. It is not possible to estimate the maximum contributions which could be required. KWORCC covers claims up to \$600,000 each, and excess reinsurance provides aggregate coverage up to \$1,000,000. Except for required contributions, no member can be held responsible for any claims made against any other member.

The County is a member of the Kansas County Association Multi-Line Pool (KCAMP), a group-funded pool for property, liability, crime and surety coverage which was formed through the Kansas Municipal Group-Funded Pool Act, K.S.A. 12-2616, et seq. This is a public entity risk pool which operates as a common risk management and insurance program for members. The County pays an annual contribution to the Pool as determined by the nine-member Board of Trustees. It is not possible to estimate the maximum contributions which could be required. KCAMP covers claims up to \$250,000 for property, \$250,000 for liability and \$150,000 for crime. Excess reinsurance provides aggregate coverage up to \$22,135,720 for property and \$1,000,000 for liability. Except for required contributions, no member can be held responsible for any claims made against any other member.

I. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 26, 2012 the date on which the financial statements were available to be used. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in these financial statements.